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FIPS 78-553

MEMORANDUM FOR: Director of Central Intelligence
 FROM : John F. Blake
 Deputy Director for Administration
 SUBJECT : Separation Compensation
 REFERENCE : Your memo dtd 24 Feb 78

1. Action Requested: None; this memorandum is in response to your request for information about the entitlements of separation compensation and retirement benefits of the DDO officers being terminated.

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2. [redacted] contains the provision for separation compensation and is based on law. Individuals who have been employed continuously for at least 12 months and are terminated from the Agency through no fault of their own are entitled to separation compensation. An employee, however, who is entitled to an immediate annuity at the time of separation, including a reduced annuity, a disability annuity, or an annuity earned as a member of the armed services, is not entitled to this severance pay.

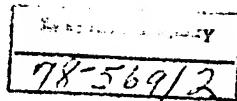
3. As a basic allowance, separation compensation is computed on the basis of one week's salary for each year of the first 10 years of service and two weeks' salary for each year of service after 10 years. For employees over age 40, an age factor is added to the basic allowance by computing 10 percent of the basic allowance for each year over age 40. In each of these computations, consideration is given to only full quarters of a year. Military service is creditable service for separation compensation purposes only when it interrupts civilian service. The maximum severance pay an employee may receive is limited to one year's pay at the rate of salary the employee received upon separation.

4. Employees who have five or more years of Government service may, upon separation, elect the option of leaving their retirement deductions in the retirement fund, or they may receive a lump-sum payment of these deductions. Leaving the retirement deductions in the retirement fund will enable them to draw regular deferred annuity benefits beginning at age 62. In either of these two cases, the individual is entitled to separation compensation also.

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John F. Blake



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In either case or ~~already awarded~~ ^{awarded} ~~any~~ ^{any} ~~equities left such as in~~ ^{equities left such as in} ~~retirement fund?~~ ^{retirement fund?}

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